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Comment

A NEW DEAL FOR MALTA

THE Report of the Malta Round-Table Conference, in which all the Parties and both Houses were represented, offers a new deal for Malta. The Conference arose out of the failure to find an alternative to diarchy, which had been first introduced in 1921 on the model of the Montagu-Chelmsford Constitution in India. It gave Malta nominal control of its internal affairs. But the matters 'reserved' for the imperial government, which included defence, cut so deeply into internal administration, and made the Government of Malta so dependent on decisions taken in Whitehall, that there has been almost continuous conflict between the two sides of the diarchy. Before the last war the constitution was twice suspended, before it was abrogated in 1936. The diarchy was restored in 1947, but without resolving the conflict. Instead of waiting for a crisis, which might have led to another suspension of parliamentary rule on the island, the government had the good sense to appoint the Round-table Conference last July to think out a more acceptable Constitution.

The British interest in Malta is strategic, and recent events have enhanced its strategic value. It has become the headquarters of the NATO command in the Mediterranean. The hostility of the local inhabitants drove us out of Egypt, and the perverse obstinacy of the British Government is building up a similar situation in Cyprus. The goodwill of the population of Malta is therefore more than ever essential to us and our allies for the defence of the Mediterranean.

The particular proposal which the Conference was asked to study was that made by Mr. Mintoff, the Prime Minister of Malta, who defeated the Nationalist Party at the last General Election on a

programme of 'integration' with the U.K. The essence of the Labour Party's proposal was the representation of Malta in the House of Commons, but it was also concerned with the economic rehabilitation of the island.

The main recommendations of the Conference deal with economic development and constitutional advance. The use of Malta as a naval base has warped the economy of the island, draining labour from less remunerative occupations and stunting the growth of agriculture, manufacturing industry and trade. A long-term development programme is required to diversify the island's economy and to raise the standard of living through increased productivity. It was considered that the effective recovery of rain water—the island has no rivers—might double agricultural output, and that capital investment was needed to modernise the fishing industry and to make the island attractive to tourists. Improvement of the harbour at Valetta would cheapen imported food and raw materials and revive the once flourishing Mediterranean entrepot trade. Economic revival will also depend on technical schools and other social services. This development programme, and the education and other services, would be impracticable without further financial aid from the U.K., in the shape of injections of capital and contributions to recurrent expenditure. It was agreed in July that the U.K. would provide about £5 million p.a. for the next five years, and the Conference did not propose any increase in existing commitments. But quick results cannot be expected. The average money income in Malta is about one-third of ours and it will take a considerable time before the gap between Maltese and British standards begins to narrow.

But the heart of the Report is that Malta should become, like the Channel Islands or Northern Ireland, a part of the United Kingdom. Whatever the critics may say, no one has suggested any other workable alternative to the indignity of permanent inequality and subordination. The Nationalist Party wants dominion status. But how can Malta, with one-quarter of the population of Birmingham, and an area no larger than an English county, find the money or the personnel for independent nationhood? No wonder the Malta Labour Party has chosen another road to equality and freedom. Representation in the House of Commons will give Malta a voice in decisions about policy and expenditure vitally affecting it, and when it becomes part of the United Kingdom 150 years of colonial status will be quietly buried. It has been objected that, if Malta sends members to Westminster, a precedent will be set for twenty other non-viable colonial territories. But this is not a precedent, because the case of Malta is unique. No other small colony is so dependent on U.K. expenditure, or already so closely linked to us by free choice and the comradeship of two world wars. But Malta has developed its own way of life in the course of an eventful history, its own religious traditions, and a brilliant and distinctive contribution to Mediterranean culture. It is important that Westminster should impinge as little as possible, and less than heretofore, on the life of Malta. The authority of the Maltese Parliament should therefore cover everything, save foreign affairs, defence, and, ultimately, direct taxation.

The Report is worthless unless it is acceptable to the people of Malta, and Mr. Mintoff is planning for a referendum in February. If it is endorsed by Malta, and the U.K. Government the political obstacle to social and economic progress, and to permanent co-operation as friends and equals, will have been removed.

Listowel.

TROUBLE IN ZANZIBAR

TRAGEDY has intervened in the constitutional dispute now in progress in Zanzibar. On November 29th Sheikh Ahmed, an Arab member of the Legislative Council from Pemba, attended the opening of the new session, despite the boycott proclaimed by the Arab Association. He was welcomed by the British Resident, but violently disowned by the Arab Association branch in Pemba. Two days later he was murdered, presumably for political reasons. This event has sharpened the feeling of uneasiness in the clove-scented islands, long regarded as a model of racial harmony, where Arabs, Indians, Goans, Shirazi and mainland Africans and other small racial

groups have lived amicably side by side under a beneficent ruler. But time marches on even in Zanzibar, and the Rankine constitutional proposals, put forward by a previous Resident, although accepted in principle by the present Legislative Council, are far from satisfying to the younger generation, particularly the Arabs.

The new arrangements provide for a Privy Council to advise the Sultan; an Executive Council as the main instrument of government with eight official and three unofficial members, all nominated, and a Legislative Council presided over by the British Resident with thirteen official and twelve unofficial members, also all nominated.

The protest is against the complete absence of elected representatives and against the fact that, by maintaining nomination, in effect the appointments on a communal or racial basis will be perpetuated. Against this, the Arab Association has energetically proclaimed its wish for common roll elections, with some safeguards for minorities. There has also emerged another organisation, said to represent 'Zanzibaris who are fed up with the communal compartments into which the political institutions of this country have been divided.' It includes Africans as well as Arabs.

The proposal for common roll elections had been made in 1954 by Mr. Vasey, Finance Minister for Kenya and a former Mayor of Nairobi, in a report to the Sultan on reforming Zanzibar municipal government. Unfortunately, his proposals have hung fire, owing to government timidity and some personal vested interests among the communal leadership. These recommendations included three reserved nominated seats, to be used to give places to any community which fared badly at the polls and also six aldermanic seats, but with a majority of directly elected members. Some such safeguards might well have been adapted for the central legislature, after accepting fully the principle of the common roll.

It is indeed disappointing that more courage and imagination is not being shown in one of the places where initially good race relations would give a common roll experiment a flying start. If it cannot succeed in Zanzibar, where else in East or Central Africa is success likely to be achieved? Mr. Coutts, who has been looking at electoral arrangements for Africans in Kenya, is due to undertake an investigation into methods of choosing representatives in Zanzibar. But there seem to be serious doubts as to his terms of reference, and as to the approach which the official pattern for the Legislative Council will permit him to make. The whole business is being handled on a narrow front, which is likely to increase political strife and log-rolling.

CO-OPERATION THE ALLY OF DEMOCRACY

By LAURIE PAVITT

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IT is gratifying to find so much goodwill existing, within the Labour, Co-operative and Trades Unions Movements, which is directed towards the growing countries.¹ This goodwill appears to arise from a number of causes, including international idealism, fear of the spread of Communism, realisation of the economic realities in 'one world,' the pricking of social conscience and the pioneering spirit which is rarely far away from people with imagination. In terms of Co-operative Theory, this goodwill springs as much from self-help as it does from mutual help. In spite of this, most of the goodwill can find no means of practical expression and floats away on a sea of conference clichés.

This is readily understandable, for when faced with the question 'What can be done?' the answer given by Jack Bailey² that 'it is not always easy to find practicable ways of assisting' is an understatement. The vastness of the problems involved, especially in the economic and social fields, indicates that progress can only be achieved by auto-activity on the part of the peoples concerned.

The Basic Need

The first and basic need is for people to learn how to organise themselves and to learn how to use techniques of combination which will enable a group of people to do effectively those things which are beyond the powers of individuals working separately. The economic and social purposes to which group strength can be applied are many, in fact just as many as the needs of the indigenous communities. In the Punjab, for example, there are more than ninety types of Co-operative Society, each with a different purpose, among the 14,000 registered societies. Of greatest importance are the types which cater for the needs of village communities, in view of the agrarian nature of the countries concerned.

The urge towards progress through mutual help is taking a variety of forms (co-operative societies, rural welfare, community development, National Extension schemes, village A.I.D., 'panchayats,' 'desas' and other village council schemes), but the differences between them are mainly those of methods, and they all represent a movement to-

wards co-operation, if not a Co-operative Movement.

Sources of Help

What is being done to assist this movement? Support is being given by indigenous Governments, the Specialised Agencies of the United Nations (F.A.O., I.L.O., UNTAA, UNESCO, W.H.O.), the Point Four scheme of the United States, the Colombo Plan of the British Commonwealth, and through the International Co-operative Alliance.

Oldest in the field among the U.N. bodies is the International Labour Organisation which started its Co-operative and Handicrafts Service, under League auspices, in 1920. This Service has for the past 35 years maintained contact with, and given advice to, governmental Co-operative departments and Co-operative federations in the growing countries. The Food and Agriculture Organisation maintains a Rural Welfare Branch and an agricultural co-operative specialist at its headquarters in Rome. The U.N. Technical Assistance Administration includes the development of co-operative projects among its objectives, and has taken special interest in community development work.³ UNESCO gives assistance where the development of mutual help also means the development of education, and a notable example of this was the Caribbean Co-operatives Conference held early in 1955 organised in collaboration with the International Co-operative Alliance. The World Health Organisation gives technical help to Co-operative Health Societies, Anti-Malaria Co-operatives and village clinics.

Apart from the services given in the ordinary course of their work by these Specialised Agencies, in 1949 the United Nations introduced an Expanded Technical Assistance Programme, which is operated by the Agencies under the co-ordinating authority of the Technical Assistance Board at New York.

The assistance given consists of the provision of technical experts, equipment, the institution of specific projects, the provision of study facilities to enable personnel to travel and learn from countries

¹ For a number of reasons, I object to the terms 'under-developed countries, colonies, etc.' Permit me, therefore, to replace it by 'growing countries.'

² *The British Co-operative Movement*, by Jack Bailey. Hutchinson.

³ *Social Progress through Local Action*. A report by the Secretary-General to the United Nations Economic and Social Council. *Report of the U.N. Regional Community Development Conference for South and South-east Asia* in Manila in December, 1954. Both published by United Nations.

overseas, and the organisation of courses, seminars, and conferences within the regions concerned.

Similar help is given by the Americans through 'Point Four' (now labelled I.C.A. meaning International Co-operation Administration and not to be confused with I.C.A. meaning International Co-operative Alliance) and also by the Ford Foundation. National Extension schemes in India and Village A.I.D. in Pakistan rely heavily on direct financial support from America.

I have not encountered a great deal of activity on behalf of co-operative societies through the medium of the Colombo Plan, although I know that a number of rural development projects have been sponsored through this plan. At present there is a fisheries co-operatives expert in Ceylon and the secretary of the Canadian Co-operative Union of Antigonish is on a mission to help the co-operatives of Uttar Pradesh, India, both financed by Canada through the Colombo Plan.

The International Co-operative Alliance is a comparative late-comer in this field, although in terms of assistance purely to co-operative societies its advice and collaboration go back over more than half a century. At its Paris Congress in 1954, however, a resolution was approved which provided for a definite programme to assist the development of Co-operative Movements in the growing countries. The potential consequences of this are enormous, for the Alliance can give shape and direction to the goodwill mentioned in the opening paragraphs of this article, and the effects of the canalisation of support from the powerful and financially strong Co-operative Movements of Europe and America cannot be over estimated. Not only Co-operative Movements, but also other voluntary bodies could use this channel to give practical support.

Asian Field Mission

One of the most interesting technical assistance projects in recent years was the establishment of a Co-operative Mission by the I.L.O., assisted by the F.A.O., covering the whole of the Asian Region. For many years convinced co-operators have been speaking of sending forth co-operative missionaries to spread the co-operative faith, and in 1952 at Lahore, Pakistan, the I.L.O. started such a project under the title of the Asian Co-operative Field Mission. This consisted of a team of co-operative experts, each with specialised knowledge in one field of co-operative endeavour. The fields selected were co-operative credit and banking, industrial co-operatives, agricultural co-operatives, consumer co-operatives and co-operative education.

The Mission lasted for three years, during which time it advised Governments within the region both

by correspondence, personal contact, and by the preparation of lengthy surveys and analytical reports. It also organised three all-Asian high-level training courses for leading co-operators.

A Significant Meeting

A few months ago at Bandung, Indonesia, leading co-operative officials and 'non-officials' from Burma, Ceylon, Formosa, Japan, India, Indonesia, Malaya, Pakistan and Vietnam studied co-operative problems in the same hall that had housed, just previously, the historic Afro-Asian Conference. In its quiet and practical fashion the co-operative conference may prove to have been just as significant in the socio-economic field as was the previous meeting in the political field.

The success and effectiveness of technical assistance would be heightened by the support of sympathetic organisations in the United Kingdom. The first step towards that support is the serious study, by members of those organisations, of the socio-economic problems involved, in order that the present uninformed, vague goodwill, may be converted into future, well-informed purposive action.

Without Comment

'Object all Sublime'

"ALTHOUGH nine years' hard labour is a heavy sentence, few people will waste much sympathy on the ringleaders of the Nchanga Mine riots.

But whether the sentences passed on them are regarded as a deterrent to endangering race relations, or from a non-racial viewpoint as an objective punishment for a given crime, it is difficult to reconcile them with what appears almost to be becoming a standard sentence on a European causing the death of an African by flogging, shooting or assault—one year's imprisonment.

The magistrate described the rioters' 'moronic and retrogressive acts': and what of the European who was fined £15 for twisting off the lobe of the ear of an 11-year-old *umfaan* doing his first day at work? Was that not a moronic and retrogressive act?"

—From *Kenya Weekly News*,
November 4, 1955.

APOLOGY

The Multi-Racial Commonwealth: A Report by Nicholas Mansergh on the Proceedings of the Fifth Unofficial Commonwealth Relations Conference, published by the Royal Institute of International Affairs, 21s. We regret that in reviewing this book in our December issue, we omitted to include the name of the publishers and the price.

Population Pressure and Policy

By LEO SILBERMAN

A NUMBER of colonial territories are by all available standards of measurement over-populated. Nevertheless, overpopulated is a relative concept. Under the chairmanship of Lord Simon of Wythenshawe, P.E.P. has prepared a timely study of 'World Population and Resources'.¹ Lord Simon himself has been to Barbados² and written a booklet on this island which with its 1,200 persons to the square mile has a density much greater than that of the United Kingdom. The annual population increase has been 1.5 per cent, but is now approaching 2 per cent. Barbados is entirely dependent on its agriculture. Sugar makes up 98 per cent of its exports. The case for birth control seems unanswerable as the various alternatives—emigration, expansion of the tourist trade, manufacturing industries—give little hope, unless oil is suddenly found. Despite the protests of the Anglican Archbishop of the West Indies, the government has decided, with the approval of press and public, to go ahead with a birth control campaign. This campaign is being watched by Jamaica and the other colonies with limited resources and high birth rates. The Jamaican Government must tread more cautiously than Barbados, but this is not stopping private persons and organisations, some of them helped by learned foundations overseas from carrying on research and experimentation which are of great sociological interest and central to a balanced development of the territories.

Birth Control Recommended

Hoping to encourage similar action elsewhere, Mr. T. Reid (Lab., Swindon) asked a question in the House about the work of the Population Committee of Mauritius, appointed by the governor in 1953 to report on the demographic situation in that island. The Colonial Secretary was asked 'if he will see that similar committees are set up in other colonies to deal with this problem'³ and when the committee would make its views known. The Minister in his reply pointed to the Royal Commission on East Africa and parallel committees in Barbados and Bermuda. The Committee has just published its findings. The Report,⁴ packed as it is with figures still makes startling reading. Mauritius, which was uninhabited in 1713, has a population of 520,000 which is increasing every year by 3.3. per cent! It is expected that in 1975 the population will number

one million—except, of course, that long before that time a series of social cataclysms will have brought chaos. The Committee assembled the best statistical, economic and medical advisers on the island and leaders of the various communities. They examined the possibilities open for economic expansion. Geologists assure us that there is no oil or mineral wealth in Mauritius.⁵ As in Barbados, 98 per cent. of all exports consist of sugar of which today some 520,000 tons are annually produced. Production can be raised to 600,000 tons and other crops can be promoted. If birth rates remain at their present level—47 per thousand as compared with 33 in Barbados and 15 in Britain—and the death rate remains constant or even drops further, the island can maintain its present average rate of income for another seven years. After 1962 the population increases will surpass any foreseeable economic improvements. Hence the Committee recommends, using foreign examples and copious authoritative references, from Tokyo to Rome, the establishment of birth control clinics. Only two of the Committee of 14 objected to this recommendation, one of them the leader of the Labour Party. It will be interesting to see the reaction of Legislative Council when the report comes up for debate. So far the press has been reserving its ammunition.

Another, internationally equally important, issue is raised by Mauritius. Like the West Indies, Mauritius must look to emigration. But the vast majority of Mauritians are of Indian descent and many countries fear political and racial difficulties if they admit, as North Borneo for a time considered it might, a large immigration of hard working, prolific, thrustful and at present very politically and communally minded Indo-Mauritians. There is one obvious outlet for the French or Creole speaking Mauritians—Madagascar, an island the size of France with a population of less than four million.

Migration Policy

Closer inter-colonial understanding between the various islands of the Indian Ocean is necessary. The sister islands Mauritius and Reunion (the latter now a department of metropolitan France), the British Seychelles, the High Commission of Madagascar and the smaller, often still 'underpopulated' islands of the Indian Ocean should get together and formulate a migration and demographic policy. This is the moment for Britain and France to act in unison with the local governments and get a jointly acceptable agreement. The hour is late but there is still time. Mauritius faces a dire necessity.

¹ Published this month by Allen and Unwin.

² *Population and Resources of Barbados*. Privately printed. Broomcroft, Didsbury. 1954.

³ February 9th, 1955.

⁴ Sessional Paper No. 4 of 1955.

⁵ *Colonial Geology and Mineral Resources I*, 1950.

PRIMITIVE ECONOMIES

By T. BALOGH—Fellow

THERE is an engaging if perilous tendency among progressive experts on colonial matters to regard economic questions as something mysterious and apart from general commonsense. In that field the economist, someone 'expert' and quite non-political, is thought to rule supreme. 'Economic laws,' it still seems to be supposed, describe 'inevitable implications'. And if the conclusions derived by these 'non-political scientists' seem unacceptable, as in most cases they are, they are said to be unacceptable from a sociological or political point of view, the economics as economics (and their protagonists) being left unchallenged.

Fallacies Preserved

Yet these 'economics' are sadly out of date. They are no longer accepted by anyone outside a small—but strident—fringe of extremist liberal dogmatists. Their decline dates back to the 1930's when Keynes successfully challenged Say's Law, that basis of all orthodox economics, that denied, despite the recurrence of slumps, the very possibility of mass unemployment. The destruction during and after the war of the so-called 'welfare' economics clearly established the fact that all policy recommendations are based on implicit political assumptions and ruled out 'non-political' recommendations. 'Liberal economics' are thus seen as based on a particular set of political assumptions (which Labour does not share), and depend for their 'validity' on their acceptance. Finally, beginning with Allyn Young in 1928, the incapacity of 'free' markets and the price mechanism to ensure economic growth, especially in primitive economies, was firmly demonstrated. By the end of the war precious little remained among up-to-date economists, here and in the U.S., of that mixture in deductive economics, of arrogance and ignorance which had been responsible for the great depression and thus, in ultimate analysis, for the Second World War. One could hope that economic policy in Britain would no longer be influenced by these obvious fallacies.

Unfortunately these hopes have not been fulfilled. Nothing shows this more clearly than two important documents published in the last year. They were, each in its way, commissioned by the Colonial Office to provide insight and guidance to preoccupied and over-worked administrators, one on West¹ and the other on East Africa,² the two most important residues of Britain's former imperial might. They seem as unaware of the recent progress in economic analysis as they are of the vital problems confronting Britain on the broader international canvas.

The problem of preserving the economic unity of Britain with her complementary colonial territories on their way to political self-determination, or perhaps even reversing the process of fragmentation of a (potentially) closely knit imperial unit, is becoming more urgent in a period of growing technical dominance and economic superiority of continental empires. The 48 states of the U.S. or Russia each in their way demonstrate the vast advantages for economic progress of large homogeneous internal markets. At the same time there is the increasingly pressing question of the international equalisation of income and wealth, which has special significance in the relations of metropolitan areas to their dependencies faced as they are with both a nationalist and a communist challenge. Britain might have given a firm lead to the free world in these fields in the same way as she has done in the pioneering of the welfare state. At the same time she could have tried to equalise her own chances of survival in an increasingly competitive world. Could there be any doubt that her economic future is menaced not merely by American, German and Japanese competition but also by Russia's direct and indirect blandishments to dependent peoples?

No such awareness disturbs the intensity of Mr. Bauer's or the Royal Commission's dreams of a nineteenth-century type of 'progress.' One cannot say that the authors dismiss the lessons of the history of the European impact on Asia and Africa in the heyday of *laissez-faire*, or even in its death struggle just before the second war, since there is no indication in either production that its authors were even faintly aware of them.

Essentially Political

I think it is important that colonial experts in other fields should realise the weakness of these economic arguments as *economic arguments*, and the consequent inappropriateness from a 'purely' economic point of view of the recommendations. There are four strictly 'economic' problems the treatment of which seems particularly unsatisfactory. The first is the rôle, indeed the admissibility, of price policy. The second is the problem of development and the distribution of income. The third is the question of development schemes. The final and perhaps most important is the system of land tenure. All these burning problems are essentially political in character. Neither of the two books seems to recognise this elementary fact and state explicitly the assumptions on the basis of which they pronounce on them.

Let us take these issues one by one. (1) Free markets, we are told, will result in a perfect 'allocation' of resources according to needs and the trends of world markets (cf. e.g. R.C.R., pp. 68-9, B., pp. 273-4).³ It would have been surprising if this indeed

¹ P. T. Bauer, *West African Trade*. Cambridge, 1954.

² East Africa Royal Commission, 1953-55. Report, London, 1955.

PRIMITIVE ECONOMICS

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had ever been the case so far as tropical produce is concerned. The 'free markets' in those staple commodities in which Africa (East and West) were, or could conceivably have been interested, suffered in the inter-war period from an intra-seasonal instability, showing fluctuations of prices from month to month even more startling—in many cases over 100 per cent.—than the fluctuations of the yearly averages over the business cycle. Speculation, *pace* Mr. Bauer, was not a stabilising factor.

Price Stability and the Peasant

The maintenance of full employment in the developed part of the West did little or nothing in smoothing these fluctuations: the regular bi-annual changes in American stocks, which proved so awkward to successive British Governments, seem to have had even more fierce consequences on primary produce prices. Nor were the consequences of technical progress (either through the development of substitutes, e.g. wool, cotton and rubber, or of mechanisation and improved productive methods, e.g. rice or feeding stuffs), in which the U.S. had a pioneering rôle, without serious influence on these markets. The adjustment to these changes takes not only a very long time but demands, if serious hardship and acute social and political troubles are to be avoided, purposive action in spreading losses and providing alternative markets or productive outlets.

Neither of these paeans for *laissez-faire* seems to pay the slightest attention to the overwhelming importance of price stability if peasants are to be induced to change their ways and grow cash crops instead of subsistence farming. 'Hedges' through mixed production—so that the peasant should in case of need be able to feed himself—are not always possible, and might retard progress. But abrupt changes of values, which might well render the 'adaption' of the peasant to world markets ruinous rather than advantageous, would have fatal consequences politically. The confidence of the Africans in their European rulers (or, where they are no longer rulers, advisers), already shaky, would be destroyed. Even in the pre-war period discontent with such 'market economics' led in the Gold Coast to serious disturbances. They would have far worse repercussions now.

The importance for the largely uneducated peasant not merely to get a fair price but to know that he has got it, the impossibility of achieving this without fixing prices for the season, is not mentioned in either work. It is interesting that the Egyptian Government was forced to establish such prices. Moreover, none of the colonies which won autonomy in economic

matters changed the system. There is insistent demand for it in the French colonies. All this, of course, would not convince or even impress our liberal 'experts' who are evidently in pursuit of aims higher than mere democratic desire for Government regulation. Public auctions are not possible in most products and would not protect the peasant against 'rings,' or against unanticipated fluctuations in prices abroad. Mr. Bauer explicitly, the Royal Commission implicitly (cf. R.C.R., p. 65), seem to pin their hope of justice to competition by the 'middlemen.'⁴ The fact is that even in Britain with its highly organised communication system, with a more even balance of economic power between sellers and buyers and, what is perhaps most important, an incomparably better general education, there is continuous, and justified, discontent with traders' margins in perishable farm produce. Without State intervention and the organisation of co-operative market facilities (as in Holland) this discontent is unlikely to be remedied. The importance to the African peasant of certainty of price can hardly be exaggerated.

(2) The 'exploitation' of the peasant through Government export 'monopolies' has been the object of violent outbursts by Mr. Bauer in past years. His arguments have been the subject of severe criticism on all levels. In his book some of his original points have been expurgated (without explicit acknowledgment of the withdrawal). Most of the rest seem to have been already disproven by events (e.g. the use made by the marketing boards of their reserves to maintain producers' prices since 1952). Yet the Royal Commission (R.C.R., chapters 7 and 8) has swallowed the whole case against boards, hook, line and sinker.

The Question of Distribution

There is equally a suspicion of false simplicity in the attitude of both publications to 'forced saving,' i.e. the retention of a part of the sale price by the marketing board. The attack proceeds in two stages. First of all no difference is made between private and public monopoly. This is the more surprising, and indefensible, as the private monopolists, or, rather, what modern economists would call oligopolists, i.e. a few firms watching each other's moves and trying

⁴ It is characteristic that Mr. Bauer brushes off the cocoa-producers' organised boycott of the export firms before the war by saying that the practices of these firms were 'unpopular with the local community.' Most of these criticisms Mr. Bauer regards as 'failing to recognise' the 'beneficent effects of competition.' But he devotes pages to the woes of the Kakanda whose efforts to transport some groundnuts down the river were impeded by 'a blockade' ordered (no doubt quite wrongly) by the Nigerian Supply Board. A greater lack of balance can hardly be imagined.

³ The Royal Commission Report is referred to as 'R.C.R.'; M. Bauer's book as 'B.'

to get away with as much as possible, are almost invariably foreigners. In the one case the price 'margin' retained is lost forever to the area. In the case of Government boards the reserves are available for ultimate distribution to the peasant (i.e. in case of subsequent price falls) or for development.

No doubt all this is done under the sincerely felt impression that what matters in economic policy is to maximise something called 'income' or 'output' (cf. e.g. R.C.R., p. 105)—even if one is often at a loss to explain what it is that is to be maximised—irrespective of such 'political' questions as the distribution of the resultant increase. The expression, 'the people,' 'the community,' or 'the country,' or 'the territory,' etc., 'as a whole' recurs time and again (e.g. R.C.R., pp. 366, 380, 386). This is a well-known if impermissible method of disregarding, without expressly saying so, the distribution between the various sections of the community of the additional income. Yet in certain circumstances the increase in the output, and even of output per head, can go, and in South Africa or Burma has gone, with a fall in the standard of life of, and not merely in the spiritual values enjoyed by, the majority of Africans or Asians. The profuse use of undefined general nouns ('people,' 'community') thus resolves the most important, if most awkward, questions of policy by ignoring them. This is the more inexplicable and impermissible as the reduction of the tax 'burden' on foreigners is sought (R.C.R., pp. 69, 81, 93, 95). The establishment of an immigrant upper and middle class, whether European, Levantine or Indian, is socially and politically an extremely serious matter, no matter what its 'economic' consequences—and as we have seen, the 'economic' consequences to the broad mass of the original inhabitants might also be disastrous. Conscious measures to lift the educational level of the latter through hiring foreign experts even at very favourable rates is a different matter.⁵

Financing Development

The apparently humanitarian complaint that the imposition of 'new' burdens imposed either by not distributing the proceeds of sales, or by new taxes, would 'overwhelm' the 'population' thus loses all sense. No distinction is made between the peasant and the landowners or traders (cf. e.g. R.C.R., pp. 79, 110, 197, 2992). Nor is there any distinction made between retaining windfall gains in price and cutting prices.

In the second stage of the attack the consequences of the failure to obtain this forced saving are slurred

⁵ It is simple-minded not to differentiate between the type of immigrant and immigration to the new world. Mr. Bauer's attempts to portray millionaire merchants (and how quickly they acquired those millions too!) as persecuted underdogs are not convincing. It is characteristic that he does not discuss the failure of these new 'competitors' to change the monopolistic pattern of trade. Perhaps they have now been admitted to the 'club.'

over. It is all very well to hope for foreign 'assistance' in the shape of 'capital and knowledge.' But if that 'assistance' is to take the form of *direct investment* implying high, and tax free, salaries and dividends, while the relative abundance of labour prevents a substantial rise in indigenous wages, and the process turns the terms of trade sharply against the country (as happened for example in Burma), the peasant may well be worse off as a result of 'the aid.'

On the alternative method of financing development, i.e. an increase in taxation to yield a current surplus, the Commission seems equally negative.

Yet there is no doubt that relative to the taxes on African cash income in Kenya (16 per cent.), taxes on Europeans (whose income per head is naturally far higher than in Britain) are, at only 18 per cent., as yet incomparably and indefensibly lower (R.C.R., p. 90). A very substantial increase in the taxation of non-African activities is imperative and also feasible, because (as the R.C. notes) the double taxation agreement with Britain eliminates the net cost of such tax increase to British companies. Any unfavourable effects on investment should (with great discrimination) be dealt with by suitable investment allowances.⁶ The intricate problem of the inter-relation of food and export-crop production, a powerful argument in favour of stabilising the prices of the latter (lest they lead to a violent disturbance of the former) is dismissed in a most cavalier fashion (B., pp. 334-5, R.C.R., p. 67-8).⁷ The length of the period required to make readjustments in crops such as cocoa, coffee or even groundnuts, the dearth of suitable land, the danger of over-cropping are neglected and the importance of the research to preserve and increase fields which is being supported by the 'forced savings,' only mentioned in a different context

Attitude to Public Enterprise

(3) The treatment of the problems of development is equally superficial. It is implicitly assumed both by the R.C. and Mr. Bauer that private initiative and private saving have some superior qualities to public endeavour (B., pp. 324, 339 ff.; R.C.R., p. 79). But has that been the experience anywhere? Has private initiative been able to overcome the vicious circle of poverty inherent in the position of every underdeveloped area?

When it comes to the concrete problems of West Africa, Mr. Bauer does not even mention the Volta Scheme. When he criticises (by implication) the slowness of execution of the other West African

⁶ Mr. Bauer's parallel (and equally quaint) argument against the marketing boards' 'collective' saving is that they inhibit private savings. One would like to ask whose, and where the consequential investments might be situated.

⁷ The R.C. at least accepted the need for the Government to intervene in the market as a competitive buyer (R.C.R., p. 70). This recommendation (the finance of which is left unexplained) largely negates the preceding hymn about the perfection of 'commercial' marketing.

schemes designed to improve communications,⁸ and thus to minimise the danger of inflation and dislocation, he merely does it as an aside in his attempt to demonstrate that it would have been possible to permit violent increase in the price of cocoa without any danger to the balance of the economy.

The Royal Commission (e.g. R.C.R., p. 105), unlike Mr. Bauer, did not think it possible to deny some of the arguments based on the divergence of social and private costs for State intervention to stimulate and direct investment. Thus a rather (perhaps deliberately) simple version of the old infant industries and employment argument (R.C.R., p. 88) is briefly outlined, only to be dismissed (R.C.R., p. 105). No attempt is made to provide a quantitative basis for this procedure, and the more sophisticated arguments, e.g. on the excess risk of starting single enterprises which can find no markets unless there is hope for a balanced development, arguments with which even postgraduate students are now familiar, are not discussed (cf. e.g. some revealing passages on pp. 65 and 79). One wonders whether they were considered. The whole tone of the section on State Development (especially R.C.R., pp. 79, 95) shows the Royal Commission was persuaded to regard only development conforming to free market criteria as valuable.⁹

Land Holdings

(4) This extreme dogmatism on general questions rises to its ultimate pitch on the question of land holdings. The protection of the European Highlands is equated with African tribal reservations and thus a sort of seeming balance is achieved by demanding the abolition, in principle and impartially, of all restrictions on land sales safeguarding 'sectional' interests. This apparently would ensure 'mobility' and 'development.' Both Whites and Africans should henceforth be equally free in principle to dine at the Ritz.

The history of colonial Asia, especially of India and the Philippines, has by-passed the Commission. On precisely the same grounds, the British (mindful of the 'success' of the second enclosure movement at home) laid the foundation of despair and stagnation by introducing private ownership first in Bengal and then elsewhere. But examples nearer to the Commission's travels abound. Far from encouraging full production, private ownership of land has encouraged speculative sterilisation of land in Kenya—examples of which are given in the Report.

The Royal Commission, at least a majority of them, must have felt the violent incongruity of this general

line of pleading.¹⁰ Thus the detailed recommendations propose the prohibition of the sale of land by Africans to non-Africans (though long leases—which might be equally detrimental—are to be permitted). The importance of the question of what would happen as between *Africans* (whose equality, or at least equitable relationship to one another is surely not to be taken for granted either) within African territory is first dismissed without much ado (cf. e.g. R.C.R. p. 323), but then implicitly admitted (R.C.R., p. 357) by limiting ('though not as a general rule') the size of individual land holdings.¹¹

Nor is this all. Land development boards and field offices, etc., etc., are to watch over the development, and regulate the use, of the 'freehold' land. But if these limitations and regulations are regarded as necessary why should the Royal Commission have first espoused the cause of *absolute* ownership? Once freehold is admitted, the system by its own momentum creates political conditions in which such supervision must fail. Why not use the existing feudal-tribal situation in a modified form for supervised land development? No more skilled man-power would be needed and the Africans would be quite capable of understanding what was happening to them and what sort of hierarchical relations they would continue to have to obey.¹²

Colonial economics is the field of political economy in which more than in any other there is a bitter need for a strictly empirical approach, because the simple assumptions of static deductive economics, useful for didactical purposes, do not fit. Equally a clear recognition is desirable of the need to state explicitly the political basis of any recommendations. Unfortunately it has been, both in the physical and the intellectual sense, the happy hunting ground of liberal dogmatists in their most perfervid mood, successfully pretending to non-political 'objectivity.' Primitive text book stuff masquerading as ultimate sophistication has time and again misled well-meaning administrators into rash actions.

It would be ironic if it were the liberal secondary features of the two Reports—in Bauer's case the attack on the great monopolistic concerns, in the Royal Commission's the attack on racial segregation in the Highlands,¹³ with both of which a progressive observer would be tempted to agree—which led to their well-deserved burial.

⁸ The failure of an appropriate overall planning of the distribution of scarce capital goods (e.g. the failure to provide locomotives to Nigeria) is only mentioned fleetingly and in passing (B., p. 178), though it constitutes the most weighty criticism of British colonial policy.

⁹ This is quite clear from the fanciful views about the advantages of having foreign mining companies paying a minimum of taxes.

¹⁰ In some subordinate passages the whole general case for private ownership is abandoned (cf. e.g. p. 197).

¹¹ The effectiveness of this procedure (once freehold ownership is admitted) seems questionable (cf. e.g. the experience of the Indian land reform).

¹² Characteristically the highly successful Gezira Scheme is fully (and glowingly) described, only to be left hanging in the air.

¹³ It is interesting that the introduction of minimum wage-regulation is recommended and is also violently at variance with the general tenor of the Report. The town-planning section must also have been written by a different person.

Life in the Pacific Islands

Report on Trusteeship Areas

The following are some notes on the Trusteeship Council's report in 1955 on Trusteeship Areas in the Pacific.

Nauru

The Report on Nauru gives a sad picture of the perfect welfare state related to the imperfections of human nature which is only too prone to take benefits for granted while contributing little to them. In Nauru, which boasts a very high standard of life, the Administration costs the people nothing, while social services, health and education are also free. Few need work, for the fruits of the land are easy to come by; good wages are paid by the Phosphates Commission to those who need to earn instead of drawing royalties on their land. Although some 15 per cent. of the Naurean population of nearly 2,000 work in the Administration, and recently a Naurean has been chosen as postmaster and another as district magistrate, yet it is difficult to get the Naurean Council to take the initiative or to make use of all the powers it has, and this despite compulsory voting by the adult population.

In the economic sphere it is the same story. Although it is reckoned that the phosphate deposits on the island will be exhausted in 60 years there is little feeling of urgency in taking measures to meet this. Only by hard subsistence living could the island support even its present population, and the Australian administration is searching for other areas of settlement. The Administration is also setting up an experimental agricultural station on the island, but points out that it is extremely difficult to get Naureans to take any interest in either fishing or agriculture, except to satisfy immediate needs.

Although the Visiting Mission from U.N. in 1953 did agree that it would be impossible to think of Nauru as a potential state yet it is vital that it should become reasonably responsible for its own future and not a decrepit lotus land vaguely attached to Australian enterprise.

Samoa

The Constitutional Convention of 1954, whose recommendations have been approved by the Samoan Legislative Assembly as well as the Fono of Faipule, brings to logical conclusion the Samoan Amendment Act of 1947. By these, the Samoan people has expressed its view that it is almost ready for complete self-government, though this may not take the accepted western pattern of democracy. The old question, "When is self-government not self-government?" is thus raised in a new form. The beginning of full cabinet government is forecast for 1957, together with a single chamber legislature. Relations with New Zealand have not yet been finally settled. The urgent question in Samoa, as in many colonial

areas, is not that of political freedom but of economic stability. Production is not keeping pace with the population increase, and, unless there is an economic and social adjustment to the needs of the country, the present rate of social service and capital development, and with it the standard of life, must fall.

New Guinea

The Australian representative stated that though progress was being made, there were still 7,000 sq. mls. of New Guinea not yet under control. Four members of exploratory patrols had been killed in this area during the past year. Inhabitants contacted were very primitive. In the controlled area there had been some attempt to develop local government, but the inhabitants showed little interest in administration and some groups preferred their interests to be safeguarded by the Administration. There were three indigenous members in the Legislative Council. Native industry was gradually expanding with the aid of co-operatives, but there was still a deficit of £3 millions paid by the Australian Government, and development could come about only by stimulating controlled European enterprise.

Correspondence

To the Editor of VENTURE.

Sir,—As one who some years ago lived as a housewife in Nairobi, I am always interested in books and statements dealing with matters pertaining to East Africa. In the November issue of *Venture*, James Johnson, M.P., in reviewing a book by Fenner Brockway states (he is trying to show that Fenner Brockway is not up to date with affairs) '... the colour bar in Nairobi hotels for educated Africans is now removed by tacit consent of the Hotel Keepers' Association.' I wish his meaning was clearer. Is it that there are now special hotels for educated Africans or is it just a clumsy sentence and what is meant is that an hotel keeper is able to recognise an educated African when he or she enters one of the Hotel Keepers' Association houses?

I wish really to know, for, if it depends on the hotel keeper's diagnosis—what is the acid test used? Does he have to look to see whether he carries a kipandi or not? If this be so, then I'm afraid for many of my African friends whom I considered far more 'educated' and 'cultured' than any hotel keeper I met, the colour bar has not been lifted.

D. A. Peachey (Mrs.).

16, Camden Terrace,
Weston-super-Mare.

[James Johnson writes: Perhaps the word 'educated' was not apt. Would Mrs. Peachey accept the term 'behaviour and manners bar' instead of colour bar, to use the words of the Capricorn Society? This of course would apply to all peoples whatever their colour; and I am informed on very good authority from Nairobi that no complaint can be found so far about the conduct of any Africans or Asians using the top hotels such as the Norfolk, Torr's and the New Stanley.]

Guide to Books . . .

The Theory of Economic Growth

By W. Arthur Lewis. (Allen and Unwin, 30s.)

THIS is a pioneering book and an important one; pioneering because it is the first full-scale study of economic development made in this century; important because it provokes new thinking on a great diversity of current topics. It is the book that everyone interested in under-developed countries and territories has been waiting for.

Professor Lewis has set himself a mammoth task, none less than to list and discuss all the principal causes of economic growth. These causes, as he stresses, extend beyond economics into psychology, sociology, history, anthropology, geography and comparative religion—to mention but a few. Instead of attempting to build a formal 'theory of growth' the author's declared aim is rather to make a 'map' of this vast field, filling in the principal features of the landscape so as to give the student some perspective.

He first discusses the impulses which stimulate growth, notably the strength of people's desire for goods, ranging from the extreme of materialism to the extreme of asceticism, and allied to this their attitude to work. People must want to work, not so much hard as productively, and must adjust their institutions to promote increases in productivity.

He has a long section on economic institutions, selecting (arbitrarily it would seem) for consideration only a few—the right to reward for work and investment, economic freedom for entrepreneurs and workers, freedom of markets. He lists religion, slavery and the family as economic institutions(!). He speculates as between the cyclical and progressive theories of history.

He then discusses the accumulation of knowledge: the factors which encourage research and innovation and the skills in agriculture, industry and administration which people have to acquire to operate a materially advanced system.

Perhaps his most provocative chapters deal with the capital requirements of development: what governs the capital-income ratio, how the rate of saving can be augmented, the creation of domestic institutions for investment, the advantages and limitations of foreign lending, with a postscript on the trade cycle and on stagnation.

He deals at length with the rate of growth of population and its occupational distribution, and with the rôle of government in planning, taxing and spending. He finds room for an Appendix on whether or not economic growth is desirable at all.

It will be apparent that this is a stiff book—not a bedtime anodyne. Yet it certainly ought to be read by everyone curious concerning the development problems of our generation. We must all be grateful to Professor Lewis for having opened up the formal discussion of this vital subject, and how fortunate

that he himself has the background of coming from an under-developed country. People with pet theories of their own may be exasperated by the author's detachment and agnosticism: a recurrent phrase is 'on the evidence we cannot say which way this factor will affect growth.' Others will disagree with his selection and his omissions, but all must concede that he has provided a solid foundation upon which others will be able to build more specialised studies.

Since this book should have a large circulation, the author might like to consider the following points in preparing his second edition. First, although he starts by recognising that growth has more than an economic explanation, he confines himself in the sequel almost exclusively to economic factors. There is no space given to systems of law and very little to the many sociological influences.

Secondly, he tries to produce a doctrine applicable to all countries, whether their more rapid growth started two hundred years ago or ten years ago. This proves a severe handicap to him as so much is different in the twentieth from the eighteenth century—including the existence of developed countries. He also omits any discussion of (1) why some countries started later, and (2) why some developed much faster than others.

Thirdly, by deliberately excluding any discussion of the *distribution* of wealth, he fails to discuss the effects of different patterns of wealth distribution on the rate of growth; nor does he mention the effects on growth of higher income levels in other countries.

Lastly, although the book is long it could be much shorter and still find room for some of the missing components if he resisted the many side turnings—interesting but not entirely relevant essays on property, on the organisation of agriculture, on the definition of over-population and on what proportions of total investment go to each principal sector of the economy.

P. Lamartine Yates.

Kwame Nkrumah

by Bankole Timothy. (George Allen and Unwin Ltd. Cloth 16s., Paper 10s.)

Mr. Timothy's book is the first of what is certain to be a long line. Kwame Nkrumah was the first African politician to organise successfully for political purposes the body of men and women known variously—accordingly to ideology—as 'the people,' 'the masses' or 'riff-raff.' It is for that reason that he became the first African Prime Minister. The numerous factors in the development of self-governing institutions in the Gold Coast have

been and will be analysed many times. This book is the first attempt to outline the life of the leading participant on the African side, and very revealing it is.

There was nothing extraordinary about Nkrumah's early life: the decent upbringing in a village, his father a goldsmith, his mother a trader, both illiterate; hard work at a Roman Catholic school; Achimota; his years as a teacher; correspondence courses; the beginnings of political consciousness. At 26, Nkrumah sailed for America, where he worked every spare minute to sustain himself at Lincoln University. Ten years later, Nkrumah came to London in June 1945, and in December 1947 he arrived in the Gold Coast to take up his appointment as secretary of the United Gold Coast Convention. One would like to know more than Mr. Timothy tells us about those crucial twelve years abroad. Was it in America that he learnt the garish publicity methods which have been so successful in Gold Coast electioneering? Was it there that he acquired that basic misunderstanding of British constitutional processes which led him to describe the Coussey Constitution as 'bogus and fraudulent'? Or was it in that twilight political backwater which is frequented by so many colonialists in London, and from which has flowed that bitter stream of negation which has drowned so many fine ideals in Africa? It is important to know, for the stream has flowed on in Nkrumah's political activity, although it has taken second place, since his experience in office, to the very different trend of thought which led him to appeal to Mr. David Marshall not to resign during the first constitutional crisis in Singapore. Did Nkrumah grasp the fundamentals of democracy in those twelve years, or has he learnt constitutional practice entirely from Sir Sir Charles Arden-Clarke, or is his masterly conduct of affairs just a tactic and nothing more?

Mr. Timothy does not tell us. He does, however, give sufficient evidence on both sides to make the most objective reader uneasy. He reprints from the Report of the Watson Commission of Enquiry into the 1948 riots the document describing *THE CIRCLE*. The Watson Commission highlighted the aim: 'to create and maintain a Union of African Socialist Republics' by means of a 'Revolutionary Vanguard.' The constitutionalists of 1956 will note instead the seventh law of the Circle: 'I accept the Leadership of Kwame Nkrumah,' and Mr. Botsio's refer-

ence to Nkrumah in the foreword to this book as 'our Leader . . . who is acknowledged by our deeply spiritual people as a Godsend.' Again, Mr. Timothy is not afraid to place squarely on the shoulders of Dr. Nkrumah, Mr. Botsio and Mr. Gbedemah responsibility for the screaming virulence of the *Accra Evening News*. This type of propaganda seems to derive from a fundamental contempt for its readers, from a belief that they have no standards and no knowledge and cannot be educated to have either. On the other hand, he prints in full Dr. Nkrumah's magnificent speech in the Legislative Assembly on July 10, 1953, when he moved his motion for constitutional reform and to request the introduction of an Act of Independence for the Gold Coast into the United Kingdom Parliament 'as soon as the necessary constitutional and administrative arrangements are made.'

Mr. Timothy has painted a picture of two Nkrumahs, not one. His book shows clearly why Dr. Nkrumah has been able to lead his countrymen to the brink of independence, and also why so many of them are now shivering on the brink. It is a book that everyone concerned with Africa must read.

ABC

Jinja Transformed

By Cyril and Rhona Sofer (East African Institute of Social Research, Kampala, Uganda, 16s. 6d.)¹

This social survey of the population of Jinja, the principal town of the Busoga district of Uganda, relates to conditions in 1952. The social and economic problems attendant on Jinja's growth as a modern industrial centre, based on a great hydro-electric power scheme, are sharpened by the racial heterogeneity of the inhabitants and the report although, as the authors say, it is only an outline description, is full of facts which are highly relevant to their solution. It deals with the composition of the population, occupations and incomes, standards of living, political and administrative structure, and household and family organisation.

¹ Distribution: In East Africa by East African Literature Bureau, P.O. Box 2022, Nairobi, Kenya; outside East Africa by Kegan Paul Trench Trubner & Co., Ltd., 43, Gt. Russell St., London, W.C.1.

CONTENTS OF THIS NUMBER

For Reference January, 1956

Comment—

A New Deal for Malta by Lord Listowel	-	1
Trouble in Zanzibar	-	2
Co-operation the Ally of Democracy by Laurie Pavitt	-	3
Population Pressure and Policy by Leo Silberman	-	5
Primitive Economies and Primitive Economics by T. Balogh	-	6
Report on Trusteeship Areas in the Pacific	-	10
Correspondence	-	10
Guide to Books	-	11

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